

VZCZCXRO9666
PP RUEHMA RUEHPA
DE RUEHUJA #1294 1701552
ZNR UUUUU ZZH
P 191552Z JUN 07
FM AMEMBASSY ABUJA
TO RUEHC/SECSTATE WASHDC PRIORITY 9944
INFO RUEHZK/ECOWAS COLLECTIVE
RUEHWR/AMEMBASSY WARSAW 0384
RUEHCD/AMCONSUL CIUDAD JUAREZ 0385
RUEHOS/AMCONSUL LAGOS 7182
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUEHC/DEPT OF LABOR WASHDC
RHEHNSC/NSC WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RUEKDIA/DIA WASHDC
RHMFISS/HQ USEUCOM VAIHINGEN GE
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK

UNCLAS ABUJA 001294

SIPDIS

SIPDIS

DEPT FOR DRL, AF/W
DOL FOR SUDHA DALEY
DOE FOR CAROLYN GAY

E.O. 12958: N/A

TAGS: [PGOV](#) [ELAB](#) [PHUM](#) [NI](#)

SUBJECT: NIGERIA: GON/LABOR NEGOTIATE TO 12TH HOUR

REF: A. ABUJA 1278

[1](#)B. ABUJA 1155

[1](#)1. (SBU) SUMMARY. Following negotiations into the night on June 18 and again on the morning of June 19, labor leaders have gained three of their demands and the GON has met them in the middle on the fourth. The GON agreed to lower the fuel price to 70 Naira per liter, not the previous price of 65 Naira that labor had requested. Labor has said they are willing to accept a 70 Naira price if the stakeholders' board of the Petroleum Products Pricing Regulatory Agency (PPPRA), of which labor representatives are members, concurs as is the normal process for considerations of fuel price increases. Upon hearing the news of the fuel price reduction to 70 Naira, the Independent Petroleum Marketers Association of Nigeria (IPMAN) announced an end to its strike which began on June 15. Given discussions with labor last week (Ref B) and the GON concessions as of close of business June 19, post expects labor to hold out until the last minute and then agree to the GON position. END SUMMARY.

[1](#)2. (SBU) As of late on June 18, the GON agreed to: rescind the VAT increase (reducing it from 10 back to 5 percent), implement the 15 percent public servant salary increase promised in January, review the sale of the Port Harcourt and Kaduna refineries, and reduce the fuel price increase from 75 Naira per liter to 70 Naira per liter. COMMENT: This amounts to the GON conceding to three of labor's four demands and meeting them halfway on the fourth -- labor had asked for a reduction back to the previous fuel price of 65 Naira per liter. END COMMENT.

[1](#)3. (SBU) Senior Assistant Secretary General of the Trade Union Congress (TUC) Dan Uhumangho told Poloff early on June 19 that labor would be willing to accept the GON concessions, including the 70 Naira per liter fuel price, if the GON would temporarily return the price to 65 Naira and follow the legally established procedure for instituting a price increase. The procedure involves calling a meeting of the fuel price board of the Petroleum Products Pricing Regulatory Agency (PPPRA), comprised of stakeholders (which include labor representatives). Uhumangho said labor is not necessarily against the price increase, if there are legitimate reasons for needing to increase the price, but

that organized labor is concerned by the unilateral decision by Obasanjo to increase the price without consulting the board.

14. (SBU) As of close of business on June 19, NLC and TUC leaders remained in closed door meetings with the GON negotiator, Secretary to the Government Baba Gana Kingibe. COMMENT: Given Poloff's discussion with TUC and NLC last week (Ref. B) and the fact that the labor leaders have won three and a half of their four demands, post believes that the labor leaders will hold out until the last minute in hopes of achieving all four demands, but settle for the GON concession if necessary. END COMMENT.

15. (SBU) Upon hearing of the GON concession to reduce the fuel price to 70 Naira per liter, the Independent Petroleum Marketers Association of Nigeria (IPMAN) announced early on June 19 an end to its strike which had began on June 15. Unless a national strike begins on June 20, fuel availability is expected to improve over the next couple of days.
CAMPBELL